



# RHIIP LISTSERV ARCHIVE

U.S Department of Housing and Urban Development

Office of Multifamily Housing Programs

The Multifamily Housing RHIIP Listserv was established to provide the latest RHIIP related news, occupancy tips and other items of information for the stakeholders of the various HUD subsidized multifamily programs. If you are interested in subscribing to the Listserv, please visit: [www.hud.gov/subscribe/maillinglist.cfm](http://www.hud.gov/subscribe/maillinglist.cfm). The weekly postings will be archived on the Multifamily RHIIP webpage after every 10 posts.

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Disclaimer: The content contained in the HUD Listserv does not create, modify or delete HUD Departmental policy, it is only intended to serve as an informational resource.

If you should have any occupancy related question, please contact your assigned contract administrator, or your RHIIP Help Desk Representative. To find a list of the RHIIP Help Desk Representatives, please visit:

<http://www.hud.gov/offices/hsg/mfh/rhiip/helpdesk.pdf>

## **#21- Interim Recertifications and MOR Q&As - May 11, 2006**

### **RHIIP TIP:**

When processing an interim recertification, the owner must ask the tenant to identify all changes in income, expenses, or family composition since the last recertification. Owners need only verify those items that have changed.

Reference Chapter 5 Paragraph 5-22 of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*. Additional information about the procedures for conducting interim recertifications is discussed in Chapter 7, Section 2.

### **ITEMS OF INTEREST:**

Frequently Asked Questions (FAQs) regarding the revised form HUD-9834, Management Review for Multifamily Housing Projects (MOR), were first published March 10, 2006. Since that time additional questions and responses have been added. The complete, revised document containing MOR FAQs has been posted on the following websites:

- Contract Administration site <http://www.hud.gov/offices/hsg/mfh/rfp/sec8rfp.cfm>, under Frequently Asked Questions
- Multifamily Housing site <http://www.hud.gov/offices/hsg/hsgmulti.cfm>, under WHAT'S NEW.

In addition, on May 5th HUD staff and Performance-Based Contract Administrators (PBCAs) were advised of the following information by the Office of Multifamily Housing Asset Management in Washington DC:

Based on HUD field office comments, FHEO and Multifamily Housing (MFH) Headquarters staff have renegotiated Part D form HUD- 9834, "Documents Reviewer Should Obtain From Owner/Agent" of the civil rights front-end and limited monitoring review protocol.

The modification to Part D will state that MFH staff and CAs will only bring back (from their MOR) documents listed in Part D of the checklist if requested by FHEO. As with all requests for documents, FHEO may only send these requests to MFH on an annual basis. MFH will then provide the applicable FHEO information request to the CA. MFH and the CAs will honor the requests for the next on-site review for which they have not yet sent a letter informing the owner/agent of the date of the forthcoming review nor requested any documents. If a property has already been reviewed, the FHEO documentation request for that project will be included in the next MOR.

**This new procedure is effective immediately.** At this time, FHEO may send a revised annual request to the MFH staff requesting documents to bring back for any and/or all projects. FHEO may also advise MFH staff that there are no requests to bring back any documents for their next review for any projects. If FHEO does not send a request to MFH, the original Protocol will remain in effect until July 1; that is, all on-site visits will include collection of the entire list of documents. After July 1, 2006, no documents will be collected unless specifically requested by FHEO.

With the closing of the MOR Mailbox as of May 1st, please send questions and concerns regarding the form HUD-9834 to the appropriate HUD Desk Officer for HUD staff or Contract Administration Oversight Monitor (CAOM) for PBCAs.

#### **#22- Noncitizen Verification & Section 8 Renewal Changes- May 18, 2006**

##### **RHIIP TIP:**

In accordance with Section 214 of the Housing and Community Development Act of 1980, as amended, owners operating projects under certain assisted housing programs are prohibited from making financial assistance available to persons other than United States citizens, nationals, or certain categories of eligible non-citizens. To determine the eligibility status of non-citizens, owners must verify with the Department of Homeland Security (DHS) the citizenship status of each member of a household applying for housing assistance and at interim or annual recertification when there is a change in citizenship or eligible immigration status of any family member. Section 214 is applicable to owners operating projects under the following programs: Section 236, Rent Supplement, Rental Assistance (RAP), and Section 8 including Section 202/8 projects. To verify the validity of the documents owners must:

Obtain computer software to install on the owner's personal computer, an access code and user ID by contacting Mrs. Denise Taylor-Parker at the HUD Headquarters, Office of Multifamily Housing at (202) 708-3000, extension 2892. Mrs. Taylor-Parker will record the required information which will be sent to DHS and request that the computer software and access to the verification system be provided to the owner.

If more than one personal computer is used, it is necessary to request computer software and user IDs for each computer. Multiple users can use a single computer but a unique user ID is needed for each computer user.

Upon receipt of the software, access code and user ID, the owner is able to use the automated system to obtain primary, and in many instances, secondary verification.

If the owner does not have a personal computer or a CD drive and Windows on their personal computer, it will be necessary to verify immigration status using the paper process. A completed Document Verification Request, Form G-845S, and photocopies of the immigration documentation must be mailed to the local immigration office to receive verification of validity of the documents.

Please reference Chapter 3 Paragraph 3-12.H of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*. Appendix 2 of this handbook is the instruction manual providing specific and detailed instructions on use of the Systematic Alien Verifications for Entitlements System (SAVE) and interpretation of results of DHS verification information.

#### **ITEMS OF INTEREST:**

1. The Office of Multifamily Housing has issued several page changes to the project-based Section 8 Renewal Policy Guidebook that pertain to the Housing Assistance Payment (HAP) contract. The copies of the changes will be available on HUDCLIPs at [www.hudclips.org](http://www.hudclips.org). The major changes to the Guidebook are as follows:
  - a. Removes previous guidance, found at Sections 2-1E, 4-1 and 6-1B that stated once the owner of an exception project renewed under either Option One or Option Two they were prohibited from reverting back to an exception status. The Office of General Counsel (OGC) reexamined this policy and found that the Multifamily Assisted Housing Reform Act ("MAHRA") did not support this position. A clarification to the MAHRA regulations was published January 12, 2006. Therefore, at any renewal the owner of an exception project may elect to renew under any option that the contract is eligible for at the time of renewal.
  - b. Authorizes Program Centers to approve Discretionary Mark-Up-To-Market requests without first obtaining Headquarters approval.
  - c. MAHRA originally limited the renewal of Section 8 contracts associated with preservation projects to a term of one year. MAHRA was amended and the one-year limitation was removed. Therefore, preservation projects are now permitted to use multiyear Section 8 contracts. The maximum term of the multiyear contract will be based on the lesser of 20 years or the remaining term of the Use Agreement.
  - d. MAHRA limits the owner of a preservation project to renew his/her Section 8 contract using Option Five. We have emphasized this requirement.
2. The Office of Affordable Housing Preservation (OAHP) sent out an email on May 4th with the information shown below pertaining to Housing Assistance Payments (HAP) contract renewals. Please visit the OAHP's Section 8 internet website at <http://www.hud.gov/offices/hsg/omhar/readingrm/sect8.cfm> for additional information about OAHP.

#### **Out Year Contracts:**

Now that the new Owner Election Form has been approved for use (attached) OAHP can again accept properties in for restructuring with HAP contracts that may have an expiration several years in the future ("Out Year Contracts"), without the owner having to give up their current, above-market contract. While OAHP has done many of these transactions over the years, the approaching sunset of Mark-to-Market (M2M)

authorities, and the need for a Section 514 contract as evidence of a "binding commitment" had required OAHP to restrict Out Year projects. With the release of the new Owner Election Form, however, OAHP can again accept these referrals.

There is a cost to OAHP for completing a restructuring plan. OAHP has set up the following guidelines for Out Year referrals (use of the Contract Renewal Form for Out Year Contracts when a new Section 514 contract will not be put in place):

Contract Expiration must be in excess of 18 months from owner request to enter the program or the Multifamily referring office must indicate that funding is not available for issuance of a Section 514 contract at this time.

A rationale for a potential OAHP restructuring must be submitted with the request.

Possible reasons may include:

- Need for significant rehab

- Insufficient cash flow to meet current operating/cash flow needs

OAHP has in its toolbox the ability to use an Out Year Rider, which will allow the current contract to remain in place, with the higher contract rents, until maturity. The rent differential in many cases flows to the property's replacement reserves. The net effect of this Rider is to create a smaller Mortgage Restructuring note, saving the owner money long term. The Rider will only be used in the following situations:

The out year contract must mature between 6 months and 36 months past the closing of the M2M restructuring. If outside of this window, the owner will have to accept a M2M Full restructuring contract at market rents, beginning the month after the M2M closing.

The gross difference between market rents and contract rents must exceed \$25,000 per year.

The Out Year Rider recapture agreement is administered by the respective Multifamily office. Therefore, the MF office must agree to monitor the recovery of the out year monies (difference between contract and market) and implement the M2M Full restructuring contract at market rents determined by OAHP, increased by OCAF since the date of closing.

Even when an Out Year Rider is not used, an OAHP Restructuring may benefit the property and preserve affordable housing. HUD will have a Use Agreement in place, the property will be rehabbed as necessary and OAHP will ensure that cash flow is sufficient to maintain the property long term. Please contact Norman Dailey if you have any questions about this process. ([Norman\\_Dailey@hud.gov](mailto:Norman_Dailey@hud.gov) or at 202-708-0614, x8371)

#### Bond Financed Properties Renewed Under Option 4:

OAHP is in the process of pulling an updated report from REMS of all properties that were renewed under Option 4 and comparing that information to their Bond Database. The Renewal Guide Chapter 6 (on Option 4) requires that the bond documents (for

Programs eligible for M2M; i.e. not 202, 811, etc) be reviewed by OAHP to determine whether the properties are exempt or not. OAHP will distribute the database in the very near future and ask for Multifamily HUD staff assistance in clearing any exceptions to the Guide. With Sunset less than 6 months away, it is important that any M2M eligible properties are identified, the owners notified, and referral is completed as soon as possible.

OAHP has also recently been notifying some of the Field offices and owners of properties which were previously exempt. Exemptions due to a bond indenture lockout or prepayment restriction in the mortgage will no longer be exempt when the lockout expires.

### 3. Notice of Funding Availability (NOFA) under the Section 202 Demonstration Pre-Development Grant Program

The NOFA announcing funding under the Section 202 Demonstration Pre-Development Grant Program was published in the Federal Register on Thursday, May 4, 2006. The NOFA makes available approximately \$42,178,662 for pre-development grants to Sponsors who received fund reservations under the Fiscal Year 2005 Section 202 Supportive Housing for the Elderly Program.

The Section 202 Demonstration Pre-Development Grant Program is to assist Sponsors/Owners to bring their projects to initial closing within 18 months of their Section 202 fund reservation. The funds are awarded for such pre-development activities as: architectural and engineering work, site control extensions, and other planning related expenses that are eligible for funding under the Section 202 Supportive Housing for the Elderly Program.

Applicants will be required to submit their application via [www.grants.gov](http://www.grants.gov) no later than the deadline date of June 6, 2006. To view the notice in its entirety, please visit [www.grants.gov](http://www.grants.gov).

### **#23 – Assets and Items of Information – May 24, 2006**

#### **RHIIP TIP:**

Did you know that there is no asset limitation for participation in HUD assisted-housing programs? However, when determining annual income, income for eligibility and rent calculation purposes, annual income includes interest, dividends and other net income from family assets.

Net Family Assets include:

- Cash held in savings and checking accounts, safe deposit boxes, homes, etc.
- Revocable trusts.

Equity in rental property or other capital investments.  
Stocks, bonds, Treasury bills, certificates of deposit, mutual funds and money market accounts.  
Individual retirement, 401K, and Keogh accounts.  
Retirement and Pension Funds.  
Cash value of life insurance policies available to the individual before death.  
Personal property held as an investment.  
Lump-sum receipts or one-time receipts, such as, inheritances, capital gains, one-time lottery winnings, victim's restitution, settlements of insurance claims, and any other amounts that are not intended as periodic payments.  
Mortgage or deed of trust held by an applicant or tenant.

Net Family Assets DO NOT include the following and the owner does not compute income from any of these assets:

Personal property, such as, clothing, furniture, cars, jewelry not held as an investment, vehicles specially equipped for persons with disabilities.  
Interests in Indian trust land.  
Term life insurance policies.  
Equity in the cooperative unit in which the family lives.  
Assets that are part of an active business.  
Assets not effectively owned by the applicant, i.e., assets held in an individual's name, but (a) the asset and any income they earn accrue to the benefit of someone else who is not a member of the family and (b) that other person is responsible for income taxes incurred on income generated by the assets.

For additional information regarding each asset type, please reference Chapter 5, Exhibit 5-2, of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*.

#### **ITEMS OF INTEREST:**

Many of the topics for the RHIIP Listserv "Items of Interest" come from HUD field office staff and industry partners. If you have information that you would like to share on a national level with other Listserv subscribers, please email [Linda Kornegay@hud.gov](mailto:Linda.Kornegay@hud.gov), as indicated in our "Introductory RHIIP Listserv" letter currently posted on the RHIIP website at <http://www.hud.gov/utilities/intercept.cfm?/offices/hsg/mfh/rhiip/rhiiplistseravailable.pdf>

Last week, one of HUD's Operations Officers from the Philadelphia Hub shared with us an excellent internet website that he found which contains resourceful information for all of the relevant HUD notices, handbooks, Code of Federal Regulations (CFRs), and so forth, pertaining to the refinancing of affordable housing, such as Section 202 refinancing, Section 236 "decouplings", Mark-to-Market (M2M), etc.). The website address is [http://www.recapadvisors.com/learn/ln\\_learn.asp#sec202](http://www.recapadvisors.com/learn/ln_learn.asp#sec202).



## **#24 - Emergency Capital Repair Grants and Resident Criteria – May 31, 2006**

### **RHIIP TIP:**

HUD's key requirement for residency is that assisted tenants must have only one residence and receive assistance only in that unit. This rule is meant to ensure that the government pays assistance on only one unit for a family and provides assistance to as many eligible families as possible with available funding.

The sole residence requirement is:

1. A family is eligible for assistance only if the unit will be the family's only residence.
2. The owner must not provide assistance to applicants who will maintain a residence in addition to the HUD-assisted unit.

For additional information regarding the prohibition against double subsidies, please refer to Chapter 3, Paragraph 3-10.C. of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*.

### **ITEMS OF INTEREST:**

1. The Department of Health and Human Services recently sent HUD an email with the following information:

CMS released draft 2007 Part D Marketing Guidelines on May 24th for comment. Once final, these guidelines will apply to Medicare Advantage (MA), Medicare Advantage Prescription Drug Plans (MA-PD), Prescription Drug Plans (PDP) and 1876 Cost Plans for the 2007 contract year. Interested parties are invited to submit comments to CMS by no later than 5:00 p.m. EDT, Wednesday May 31, 2006. The draft guidelines include a number of revisions pertaining to existing requirements and policies, as well as new information related to policy or operational decisions adopted since the guidelines were last updated. For example, the 2007 guidelines will reflect the new CMS policy on co-branding announced in the 2007 Call letter (see page 48 of the attached). Beginning in 2007, only non-provider co-branding relationships may be included on member ID cards. Co-branding relationships with providers (i.e., pharmacies) will still be permitted, but may not be designated on member ID cards. As in contract year 2006, plans will be required to submit their member ID cards for review by CMS before distributing to beneficiaries.

2. Emergency Capital Repair Grants for Multifamily Housing Projects Designated for Occupancy by the Elderly.

On May 22, 2006, a notice was published in the Federal Register regarding "Emergency Capital Repair Grants for Multifamily Housing Projects Designated for Occupancy by the Elderly". This notice announces the availability of approximately \$30 million in grant funds to make emergency capital repairs to eligible multifamily projects owned by



private nonprofit entities that are designated for occupancy by elderly tenants. The capital repair needs must relate to items that present an immediate threat to the health, multifamily projects owned by private nonprofit entities that are designated for occupancy by elderly tenants. The capital repair needs must relate to items that present an immediate threat to the health, safety, and quality of life of the tenants. The intent of these grants is to provide one-time assistance for emergency items that could not be absorbed within the project's operating budget and other project resources, and where the tenants' continued occupancy in the immediate near future would be jeopardized by a delay in initiating the proposed cure.

The notice which can be found at [www.hudclips.org](http://www.hudclips.org) provides instructions for owners of multifamily projects to request funding and instructions for the HUD field offices to process requests. HUD will accept applications on a first-come, first-serve basis upon publication of this notice and will award emergency capital repair grants until available amounts are expended. Applicants should submit emergency capital repair applications as soon as they have prepared an application that complies with the procedures and requirements contained in this notice.

FOR FURTHER INFORMATION CONTACT: G. DeWayne Kimbrough, Director, Grant and Housing Assistance Field Support Division, Office of Multifamily Housing, Room 6146, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410; telephone (202) 708-3000 (this is not a toll-free number). Persons with hearing or speech impairments may access this number via TTY by calling the toll-free Federal Information Relay Service at (800) 877-8339.

## **#25 - The Enterprise Income Verification (EIV) System - June 9, 2006**

### **The Enterprise Income Verification (EIV) System**

The Department believes EIV is a critical tool to ensure that the right benefits go to the right persons. EIV is a wage and benefit tool provided through HUD's secure internet system that currently allows public housing agencies (PHAs) and will soon allow Multifamily owners and agents (O/As) to verify tenant-reported income from an independent source during mandatory tenant re-certifications. O/As and PHAs are expected to use the data available through EIV to help the Department reduce errors in subsidy payments.

#### **Current Status**

O/As as well as PHAs have been using the Tenant Assessment Subsystem (TASS) to verify tenant Social Security (SS) and Supplemental Security Income (SSI) benefit payments provided by the Social Security Administration (SSA). The first step in transitioning from TASS to EIV took place in March 2006, when the *TASS functionality* was integrated into EIV, meaning the SS/SSI benefit data HUD receives from SSA is now also contained in EIV for verification purposes. Since then, TASS has been operating in parallel with the TASS functionality in EIV. TASS will continue operating in parallel with the TASS functionality in EIV until September 22, 2006; after which

TASS will no longer be available, according to the Real Estate Assessment Center (REAC), which administers the TASS system.

Beginning on September 25, 2006, O/As and PHAs will have to obtain SS/SSI benefit verification information only through EIV. It is also intended that, as of September 25, 2006, O/As will join PHAs in being able to obtain through EIV, the Department of Health and Human Services' National Directory of New Hires (NDNH) data such as family new hire information, wage, and unemployment insurance benefit data that comes from State Wage Information Collection Agencies (SWICAs).

#### Important Dates

March 2006	TASS functionality integrated into EIV.
June 6, 2006	Although after this date no new tenant certification data will be posted in TASS for PHA households, O/As will be able to access June 2006, July 2006, August 2006, September 2006 and October 2006 recertification data for tenants under their portfolio. (PHAs acting as contract administrators also will be able to access tenant data for their assigned projects and contracts.) The tenant data will be refreshed each month until September 22, 2006.
July – Sept 2006	O/As obtain system access rights through the Multifamily Housing (MF) Help Desk for access to EIV.
Sept 22, 2006	According to REAC, access to TASS will be terminated.
Sept 25, 2006	Access to SS/SSI data from SSA through EIV and potentially NDNH data for O/As through EIV.

#### Instructions for Accessing EIV for O/As

The MF Housing Help Desk will be authorized to provide O/As with system access rights to EIV and will be the primary contact for EIV support. It is anticipated that this process will begin in July 2006. However, until the enhancements to the existing contract for the MF Housing Help Desk are approved, please do not contact the MF Housing Help Desk for EIV support. In addition, please do not contact the EIV Help Desk for EIV support at this time.

A message will be posted to the TRACS, TASS, PIH EIV, and Multifamily Housing Programs RHIP web pages and a notice will be sent through TRACSmial as soon as the Multifamily Housing EIV Help Desk support function is authorized. This message will also include information on when EIV data will be available to O/As and the instructions for gaining access to such data.

More information will follow. Thank you in advance for your patience and cooperation during this transition phase.

## #26 - Income from Assets and Housing Notice H06-06 – June 19, 2006

### **RHIIP TIP:**

Commonly, when a family receives a large amount of money, a lump sum payment, the family will put the money in a checking or savings account, or will purchase stocks or bonds or a CD. Owners must count lump sum payments received by a tenant as assets. Examples of lump sum payments include the following:

Inheritances;

Capital gains;

Lottery winnings paid in one-payment;

Cash from the sale of assets;

Insurance settlements (including health and accident insurance, workers compensation, and personal and property losses); and

Any other amounts that are received in one-time lump sum payments.

A lump sum payment is counted as an asset only as long as the family continues to possess it. If the family uses the money for something that is not an asset - a car or a vacation or education- the lump sum must not be counted.

It is possible that a lump sum or an asset purchased with a lump sum payment may result in enough income to require the family to report the increased income before the next regularly scheduled annual recertification. But this requirement to report an increase in income before the next annual recertification would not apply if the income from the asset was not measurable by the tenant (e.g., gems, stamp collection).

Please reference Chapter 5 Paragraph 5-7.G3 of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*.

### **PUBLICATIONS:**

Housing Notice H06-06 was issued June 8, 2006 and expires June 30, 2007. This notice is regarding the “Reinstatement of Policy Permitting Increases of Project Rental Assistance Contract (PRAC) Reservations Prior to Occupancy Under the Section 202 Supportive Housing for the Elderly and the Section 811 Supportive Housing for Persons with Disabilities Programs.” (Cross Reference: Notice H 96-102, Handbooks 4571.4, and 4571.5). The notice can be viewed on [www.hudclips.org](http://www.hudclips.org).

**ITEMS OF INTEREST:**

To order HUD pamphlets, brochures and other program publications, please call 1-800-767-7468. Some of the publications may be available in Spanish.

For additional information regarding HUD Handbooks, forms and publications, please visit [http://www.hud.gov/offices/adm/handbks\\_forms/handbooks2.cfm](http://www.hud.gov/offices/adm/handbks_forms/handbooks2.cfm).

**#27- Deduction for Disability Assistance Expense - June 30, 2006****RHIIP TIP:**

1. Families are entitled to a deduction for unreimbursed, anticipated costs for attendant care and “auxiliary apparatus” for each family member who is a person with disabilities, to the extent these expenses are reasonable and necessary to enable any family member 18 years of age or older who may or may not be the member who is a person with disabilities to be employed.
2. This deduction is equal to the amount by which the cost of the care attendant or auxiliary apparatus exceeds 3% of the family’s annual income. However, the deduction may not exceed the earned income received by the family member or members who are enabled to work by the attendant care or auxiliary apparatus.
3. If the disability assistance enables more than one person to be employed, the owner must consider the combined incomes of those persons. For example, if an auxiliary apparatus enables a person with a disability to be employed and frees another person to be employed, the allowance cannot exceed the combined incomes of those two people.

The following are examples of an eligible disability assistance expense:

The payments made on a motorized wheelchair for the 42-year-old son of the head of the family enable the son to leave the house and go to work each day on his own. Prior to the purchase of the motorized wheelchair, the son was unable to make the commute to work.

Payments to a care attendant to stay with a disabled 16-year-old child allow the child’s mother to go to work every day.

Please reference Chapter 5 Paragraph 5-10.C.1-3 of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*.

## **#28 – Special Claims Guide – July 6, 2006**

### **RHIIP TIP:**

An elderly or disabled family is any family in which the head, spouse, or co-head (or the sole member) is at least 62 years of age or a person with disabilities. Each elderly or disabled family receives a \$400 family deduction. Because this is a "family deduction" each family receives only one deduction, even if both the head and spouse are elderly or disabled.

Please reference Chapter 5 Paragraph 5-10.E of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*.

### **PUBLICATIONS:**

The Special Claims Processing Guide has been approved and is posted on [www.hudclips.org](http://www.hudclips.org) under "WHAT'S NEW" and in the Hudclips library under "Guidebooks".

The Guide has been developed to assist in the reduction of errors in the administration of HUD's rental housing assistance programs. Detailed guidance is provided for the processing of Special Claims requests and is intended for use by HUD staff, Contract Administrators and Owners and Management Agents of Section 8 project-based contracts. This Guide expands on the guidance provided in Chapter 9 of HUD Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*. The Office of Housing Assistance Contract Administration Oversight issued an implementation memorandum dated July 5, 2006, copy attached, with an effective implementation date of August 1, 2006, **for all projects covered by the Guide**.

## **#29 – Correction to Special Claims Guide Posting – July 7, 2006**

### **Special Claims Processing Guide:**

On Thursday, July 6th, a RHIIP listserv posting was made regarding the Special Claims Processing Guide. The listserv posting is shown below. Please note that there is a correction to the mailbox referenced in the attached memorandum. The correct mailbox address to submit questions regarding the Special Claims Guide is [\*\*Special\\_Claims\\_Comment\\_Box@hud.gov\*\*](mailto:Special_Claims_Comment_Box@hud.gov).

### #30 – Assigning Units – July 12, 2006

#### **RHIIP TIP:**

##### **Assigning a Smaller Unit Than Required:**

An owner may assign a family to a smaller unit size than suggested by the owners' occupancy policies if the family requests the smaller unit and if all of the following apply:

- The family is eligible for the smaller unit based upon the number of family members, and occupancy of the smaller unit will not cause serious overcrowding;
- Assigning a smaller unit results in a lower rent payment for the occupant in a Section 236 or BMIR (Below Market Interest Rate) property; and
- The assignment will not conflict with local codes.

##### **Assigning Units Larger Than Required:**

An owner may assign a family to a larger unit than suggested by the owner's occupancy standards if one of the following conditions exists:

- No eligible family in need of the larger unit is available to move into the unit within 60 days, the property has the proper size unit for the family but it is not currently available, and the family agrees in writing to move at its own expense when a property size unit becomes available.
- A family needs a larger unit as a reasonable accommodation for a family member who is a person with a disability.

However, a single person must not be permitted to occupy a unit with two or more bedrooms, except for the following persons:

- A person with a disability who needs the larger unit as a reasonable accommodation.
- A displaced person when no appropriately sized unit is available.
- An elderly person who has a verifiable need for a larger unit.
- A remaining family member of a resident family when no appropriately sized unit is available.

Please reference Chapter 3 Paragraph **3-23 F & G** of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*.

## **ITEMS OF INTEREST:**

The Department of Health and Human Services recently sent HUD an email with the following information:

On Thursday, July 6, 2006, the Centers for Medicare & Medicaid Services (CMS) announced the publication of an Extra Help/Low Income Subsidy (LIS) Outreach Toolkit. The outreach and education initiatives outlined in this plan are designed to identify all remaining likely LIS eligible beneficiaries who have not yet applied for the LIS or joined a plan; ensure that these beneficiaries complete the LIS application process; and encourage them to make an active choice of Medicare drug plans. CMS will strive to coordinate to the fullest extent possible with relevant federal, state and local partners to maximize the effectiveness and return on investment of all outreach efforts.

Estimates show that approximately 3 million Medicare beneficiaries remain who are likely to qualify for the LIS, but have not yet applied for the LIS or enrolled in a Medicare drug plan. These beneficiaries are scattered throughout the country and are more likely to be less educated, more isolated from their communities, and members of minority groups. Because of these factors, they are traditionally hard to reach due to barriers posed by literacy, geography, mobility, language, or culture. Identifying, qualifying and enrolling these remaining eligible beneficiaries in Medicare prescription drug coverage is a priority.

There is a Special Enrollment Period (SEP) for people who qualify for the LIS. Those who qualify will be able to join a Medicare drug plan immediately without paying a penalty, and will not have to wait for the next open enrollment period. This SEP for people who qualify for the LIS began on May 16, 2006, and will continue through November 15, 2006. The Toolkit is available at the following website address: <http://www.cms.hhs.gov/center/partner.asp>.